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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 16, 2011

Certified Return Receipt
7005 0390 0000 7507 4696

Mike McDonald
Far West Bank
Provo Financial Center
201 East Center Street
Provo, Utah 84606

Subject: Non-Renewal of Letter of Credit # , Mark Miller, Expectation Mine, S/035/0024, Salt Lake County, Utah

Dear Mr. McDonald:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated June 13, 2011, regarding non-renewal of Letter of Credit # in the amount of \$3000.00. The mine operator, Mark Miller, is being advised that a replacement surety must be provided by August 14, 2011. If a replacement surety is not provided by that date, the Division will immediately submit to you its sight draft for the full face value of the letter of credit. The Division anticipates that payment of \$3000.00 will be made by delivery of certified funds payable to the State of Utah within two days following your receipt of the sight draft. Payment should be sent to the above address by a next day delivery. The Division will hold the funds as surety to be used for reclamation of the Expectation mine pending a forfeiture action to be filed before the Board of Oil, Gas and Mining.

The Division is proceeding as if the operator will not fulfill this bonding requirement and the Division will have to move forward with the presentation of the sight draft, but it is likely the operator will complete this reclamation because only a small amount of work is still needed. Please advise if you have any questions and let me know in writing if this procedure is not acceptable.

Thank you. If you have any questions, please feel free to call me at (801) 538-5261.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Copies of letter to operator and sight draft

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